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STATE FOR EUR/NB, EUR/OHI

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TAGS: PREL PHUM CJAN EINV LH
SUBJECT: AMBASSADOR'S INITIAL CALL ON JUSTICE MINISTER
SIMASIUS

Classified By: A/DCM John Finkbeiner for reasons 1.4(b) and (d).

¶1. (C) SUMMARY: During her introductory call on Justice
Minister Remigijus Simasius, Ambassador Derse heard that the
GOL remains committed to passage of legislation providing
compensation for expropriated Jewish communal property and to
removing references to homosexuality from a controversial law
governing the types of information that cannot be presented
to minors. The Minister also asked whether the United States
could provide any information to prove or disprove
allegations that the CIA ran a prison in Lithuania for
terrorist suspects several years ago. He requested
assistance in getting the United States to recognize and
respond to Lithuanian court rulings in child-custody and
other cases, and said the GOL was working to ease regulatory
barriers and make Lithuania more attractive to foreign,
including U.S., investors. End summary.

¶2. (U) Ambassador Derse had her first meeting with Justice
Minister Simasius at the ministry on October 30. Simasius is
not a member of the Seimas (parliament) and was nominated for
his post by the Liberal Movement party, the second largest
faction in the four-party governing coalition. Before
joining the government, Simasius, 35, was president of a
conservative think tank, the Lithuanian Free Market Institute.

¶3. (U) The ambassador thanked Simasius for Lithuania's good
record in fighting intellectual-property theft, noting that
there have been about 100 prosecutions over the past year.

Jewish Property Compensation

¶4. (C) The minister raised the issue of Jewish property
compensation, saying he knew it had long been a priority for
the United States. He said the government of Prime Minister
Andrius Kubilius, unlike its predecessors, was committed to
resolving the issue, even though discussion of paying out
millions of dollars to the Jewish community at a time of
financial crisis could be politically devastating. Simasius
said the Cabinet and Prime Minister had decided to delay
scheduling the compensation bill's first reading in the
Seimas until after discussion of the budget, which calls for
cuts in social benefits and other unpopular austerity
measures, was completed. The ambassador said she understood
the political need to balance difficult issues, but stressed
the importance of staying on track to ensure that the
compensation legislation was passed. She also encouraged the
GOL to work with the Jewish community to ensure that the
compensation bill met their needs as much as possible, and
said she would continue to follow closely developments on the
issue.

CIA Prison Press Reports

¶5. (C) Minister Simasius said the GOL has received inquiries
from the EU Commissioner for Justice and Home Affairs
concerning allegations, first reported by ABC News, that
Lithuania had hosted a CIA prison for terrorist suspects.
"In Lithuania, discussion of this will continue to go on up
to the moment when everything is clear," Simasius said. "If
you could give us a response showing that something was or
wasn't, I'd be appreciative." Ambassador Derse said she
could not comment on matters related to intelligence, but
promised to pass his request to Washington.

Bilateral Legal Issues

¶6. (C) The minister told Ambassador Derse that Lithuania has
experienced difficulty in getting recognition of Lithuanian
court decisions in the United States, particularly in custody
disputes and other family issues. The ambassador asked him
to provide information about specific cases that have been
problematic and promised to work with other parts of the USG
to resolve the problems.

Ban on promoting homosexuality

¶7. (C) The ambassador asked Simasius about the political
genesis of legal amendments passed this summer by the Seimas
to a law on protection of minors from inappropriate
information. Those amendments, which passed and were then
sustained after a presidential veto, will prohibit promotion
of homosexual, bisexual or polygamous relations. They have
been sharply criticized by European governments and local and
international NGOs. Simasius said conservative elements in

the ruling Conservative Party had proposed the amendments,
and pointed out that his own party had voted against them.
He said he hoped that the involvement of President
Grybauskaite, who appointed a commission that has recommended
removing the references to homosexuality, will "cool down the
atmosphere in parliament" and allow the law to be amended
again and stave off further criticism. Ambassador Derse said
that such issues would certainly influence Lithuania's
international image, and could adversely affect investors'
willingness to do business in Lithuania.

Easing business barriers

¶8. (C) Simasius said that Lithuania very much wants to
attract foreign investment, including American investment,
and that the GOL is working to modernize its economic
regulations to make it easier and more attractive for
businesses to operate here. Two current areas of focus are
decreasing regulation and increasing flexibility in the labor
market and cutting down on land-use restrictions and red
tape. He said he thought Lithuania stacked up well against
neighboring countries in its investment climate, but "we're
trying to make it better." The ambassador said that
Lithuania's strategic location, well-educated labor force and
EU membership should make the country attractive for
investors, and said she would encourage U.S. investors to
consider Lithuania. Simasius said he considered fair
treatment of investors a matter of justice and thus part of
his responsibility, and encouraged the ambassador to let him
know of any American investors facing bureaucratic or
regulatory problems in Lithuania.
DERSE